



**ITEM ID:** 2023-378-0

**TRANSMITTAL DATE:** January 5, 2024

**MEETING DATE:** January 12, 2024

**TO:** Audit and Finance Committee

**FROM:** Paul Hubler, Chief Strategy Officer

**SUBJECT:** Grants Quarterly Update - 1st Quarter, Fiscal Year 2024

**Issue**

Staff is providing an update of grant acquisition, reprogramming and closeout activity for the period of July 1, 2023 to September 30, 2023.

**Recommendation**

Receive and file.

**Strategic Commitment**

This report aligns with the Strategic Business Plan commitments of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing our over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. The grant program helps to ensure reliable funding sources for maintaining the railroad in a state of good repair and adding capacity for increased reliability and future growth while reducing reliance on Member Agency contributions.
- **Advancing Key Regional Goals:** We will grow the role of regional rail in addressing climate change, air quality, and other pressing issues by advancing toward zero emissions, making rail a compelling alternative to single-occupant automobiles and advancing equity-focused opportunities for all communities throughout Southern California. The grant program also pursues grant opportunities to transition our technologies to lower- or zero-emissions technologies and to provide improved rider experiences to attract new ridership.

## **Background**

The Authority applies for grants from federal, state, regional and local entities to assist in funding its rehabilitation and new capital programs. These programs are comprised of projects that rehabilitate, enhance and expand the Metrolink rail system.

This report focuses exclusively on federal, state and regional-level grant acquisition, reprogramming and closeout activities undertaken by staff for the purposes of supporting the rehabilitation and new capital programs. It discusses grants that the Authority has secured through a formal application process and for which the Authority has a direct reporting relationship to the federal, state or regional-level granting agency.

## **Discussion**

### **Grant Activity Summary for July 1, 2023 to September 30, 2023**

<b><i>Acquired (0)</i></b>	<b><i>Reprogrammed (10)</i></b>	<b><i>Closed (10)</i></b>
\$0	\$0.6 million	\$135.8 million

With the closure of \$135.8 million grants during the quarter, the Authority currently manages 33 active federal grants totaling \$550.1 million, 16 active state grants totaling \$1.191 billion and two active regional grants, totaling \$52.0 million, for a total portfolio of \$1.793 billion.

- Federal grants are summarized on Appendix A
- State grants are summarized on Appendix B
- Regional grants are summarized on Appendix C

### **Grant Activity Discussion**

#### **Acquisition**

No new grants were acquired in this quarter.

#### **Reprogramming**

Reprogramming of projects from previously approved Rehabilitation and Capital Program budgets occurs when projects are completed with savings or when deferred or cancelled projects cannot make use of grant funds in a timely manner. Ten reprogramming transactions were completed in the quarter comprised of \$0.4 million in federal funds and \$0.2 million of state funds.

#### **Closure**

Grants are closed when all projects are completed within the work performance period allowed under the grant. Four federal grants totaling \$25.7 million were closed which funded pandemic relief operating assistance, locomotive replacement, signal improvements, equipment, and trespassing suicide prevention activities. Six state grants totaling \$110.1 million were closed. These grants funded PTC, locomotive replacement, railcar overhaul, equipment, early

earthquake warning system, passing siding in Orange County, and several smaller rehabilitation projects.

**Next Steps**

Any new grant acquisitions, reprogramming or closure activities during the next quarter will be reported at the March 2024 meeting.

Prepared by: Tom Schamber, Director, Grants

Approved by: Paul Hubler, Chief Strategy Officer

**Attachment(s)**

[Appendix A - Federal Grant Activity Summary](#)

[Appendix B - State Grant Activity Summary](#)

[Appendix C - Regional Grant Activity Summary](#)